2019 LAUSD Parcel Tax
Non-Partisan Overview and Staff Recommendation re Charter Community Support

CCSA Staff Recommendation for LAAC Consideration: Support Non-Partisan Awareness Campaign
CCSA recommends that the LAAC and charter community engage in a non-partisan awareness campaign to support the District's own awareness campaign leading up for the June 4 special election. The LAAC could utilize its funds to support the District's awareness campaign, build its own campaign for charter family awareness, and host a large day of action.

This support for the parcel tax can be leveraged to secure additional District commitment to work with and support the LAAC and charter community's short-term priority work on long-term facilities use agreements and updated renewal criteria.

Context and Overview
On February 19, 2019, LAUSD Superintendent Austin Beutner first publicly announced the District's intent to introduce a 2019 city-wide parcel tax measure as part of a strategic plan to pursue additional state and local revenue sources. The Board considered a similar resolution in July 2018, against which the charter community strongly advocated for equitable charter inclusion. While the 2018 parcel tax resolution failed to pass, LAUSD leadership, including Board Members Dr. George McKenna and Dr. Richard Vladovic, publicly stated and continue to assert that public charter schools should be included in any district parcel tax and other revenue-generating efforts.

Fast forward to February 28, 2019, the L.A. Unified School District Board of Education unanimously voted, 6-0, to place a parcel tax measure on the June 4 special election ballot that proposes to assess a $0.16 per square foot annual tax on parcels within L.A. Unified boundaries for the next 12 years. The district anticipates the tax will generate approximately $500,000,000 in annual revenue and could result in an additional $500-$600 per in-district student for Los Angeles public schools each year. CCSA, alongside the Los Angeles charter community, including the Los Angeles Advocacy Council, several district, county, and state-authorized schools, and parents and families, advocated and were successful in ensuring that Los Angeles public charter schools were explicitly included in the district's resolution and proposed ballot materials – including all district, county, and state-authorized schools operating in the district. Specifically, the language secured charter allocations that would be "reasonably equivalent" per "ADA", which we would expect to generate approximately 20% of tax-revenue for charters.

Despite the success of ensuring charter inclusion, the June 4 parcel tax measure still has obstacles ahead. At the February 28 meeting, various community and business groups expressed significant concern with the rushed nature of the proposal and lack of community engagement, and some took issue with charter inclusion. Given some of the observed backlash, we can expect some interest groups to lobby against the parcel tax proposal.

Staff Analysis: Pros and Cons of Potential Charter Community Awareness Campaign Support

- **Pros**
  - Potential additional revenue for charter schools – estimated $500-$600 per ADA.
  - Higher likelihood of charters receiving equitable allocation of funds if we support the campaign.
  - Higher likelihood of future inclusion in revenue generating efforts locally and statewide.
  - The passage of the parcel tax would help to shore up LA schools and charters against likely forthcoming economic downtown.
  - Opportunity to build relationship with the District, labor partners and community groups on a common issue, and to push forward our "Demand Full Funding" platform.
  - Opportunity to leverage our support for additional support from the Superintendent and District on LAAC priorities.
- **Cons**
  - Parcel tax may not pass even if we devote significant time, energy, and resources.
  - May alienate business community and funders who are in opposition, and community groups who feel rightfully like the parcel tax has been rushed.
  - Over-extending ourselves during critical legislative cycle and during BD 5 campaign.

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ADDITIONAL INFORMATION

What is a parcel tax?

Parcel taxes are a form of special property tax, which must be paid by the owners of parcels, or units, of real estate. However, unlike standard property taxes, which are based on the value of the property, a parcel tax is an assessment based on the characteristics of the parcel. These assessments can include taxing a parcel based on square footage or by dwelling unit, or the tax may be a flat rate per parcel. Parcel tax elections are held when a taxing district in California wants to raise revenues through imposing an additional tax called a parcel tax. As of 2018, California was the only state to allow parcel taxes as a method for funding schools.

When will the LAUSD parcel tax measure be placed on the ballot?

June 4, 2019, for the Los Angeles special election, which includes the special election for L.A. City Council District 12 (Englander.)

When is the deadline to submit ballot materials to the Registrar of Voters?

Materials were due and were submitted on March 8, 2019. Amendments (for which there we none), were due on March 13, 2019. The language is finalize.

What is the voter approval threshold for a parcel tax?

2/3 or 66.6%. It is important to note that given the high threshold, LAUSD has never passed a parcel tax before.

What is the LAUSD resolution and final ballot language?

The final LAUSD resolution and final ballot language can be found **HERE**.

Why should public charter schools be equitably included in revenue and funding allocations for all public schools?

- Charter schools are schools within the public school system and are entitled to the same opportunities afforded by parcel tax revenues as students in traditional district schools (Ed. Code § 476150.)

- The Charter Schools Act recognizes the need for equitable distribution of funds and provides for the fair allocation of parcel tax funds between school districts and charter schools (Ed. Code § 47636, subd. (a).)

- The legislature and courts have consistently been clear in their declarations requiring equity in funding allocations in California public schools. (Ed. Code §§ 47601(e), 47615; *Serrano v. Priest* (1971) 5 Cal. 3d 584, 589 (Serrano I); *Serrano v. Priest* (1976) 18 Cal. 3d 728, 768-769 (Serrano II); *Butte v. State of California* (1992) 4 Cal. 4th 668, 685-688.)

- To deny Los Angeles charter school students their fair share of parcel taxes would raise serious concerns around the fair and equitable funding of public education within Los Angeles and run afoul of the district's precedent of ensuring funding equity for all public school students.

What are the District's next steps?

We know that the District intends to run a non-partisan awareness campaign to inform the public about the parcel tax and general election information. The Mayor is working to coordinate a separate, partisan "Yes" campaign, which our PAC will consider supporting. We are coordinating a meeting this week with the District where we expect they will ask for the charter community's support in getting out the word about the parcel tax and election.